**BSA Comments on the Interim Report on the Review of
Personal Information Protection System**

September 28, 2020

BSA | The Software Alliance (**BSA**) appreciates the opportunity to submit the following
opinions to the Taskforce Reviewing Personal Information Protection System (**Taskforce**)
regarding the Interim Report on the Review of Personal Information Protection System
(**Interim Report**).[1]

General Comments

BSA member companies[2] lead the world in offering cutting-edge technologies and services,
including cloud computing, data analytics, machine learning, and artificial intelligence. We
work closely with governments around to world to improve citizen services, recognizing the
importance to have robust measures to protect personal information to enable societies to
benefit from the developments that are supported by modern software-enabled technologies,
including cloud computing.

We appreciate the Government of Japan's (**GOJ**) commitment to establishing an effective
personal information protection regime while also promoting the utilization of personal data.
We are also grateful for the GOJ's strong leadership on these topics internationally. We are
encouraged that the review by the Taskforce is aimed at promoting the advancement of
information technology (**IT**) and enabling the efficient use of technology. This is particularly
important as we rise to the global challenge of recovering from the pandemic. We look forward
to continuing to work with the GOJ in accelerating digitalization across society, and would like to
offer the comments below to support this effort.

Observations and Recommendations:

**BSA supports simplifying and rationalizing the public-sector and private-sector
regimes for protecting personal information.**

Chapter 1: Overview of Matters to Review

BSA welcomes the general direction of the review and appreciates the Taskforce responding
to industry concerns, working to remove existing inconsistencies and imbalances between the
various laws to avoid confusion, and the proposal to centralize the authority to monitor and

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[1] At https://search.e-gov.go.jp/servlet/PcmFileDownload?seqNo=0000205871
[2] BSA's members include: Adobe, Amazon Web Services, Atlassian, Autodesk, AVEVA, Bentley Systems, Box,
Cadence, Cisco, CNC/Mastercam, IBM, Informatica, Intel, MathWorks, Microsoft, Okta, Oracle, PTC, Salesforce,
ServiceNow, Siemens Industry Software Inc., Sitecore, Slack, Splunk, Synopsys, Trend Micro, Trimble Solutions
Corporation, Twilio, and Workday.

supervise personal information protection issues with the Personal information Protection Commission (PPC). We have worked with the PPC during the course of updating the Act on the Protection of Personal Information (APPI) and we value the PPC's commitment to providing opportunities for relevant private sector stakeholders to discuss the development of amendments and implementing rules to the APPI.

As noted in the Interim Report, simplifying and rationalizing the regulations and rules for the protection of personal information among private and public sector entities will bring greater benefits to the medical and academic research sectors. This is particularly important as we are witnessing the increasing need of services and research to be conducted remotely, often delivered via cloud-enabled technologies and software solutions. However, the medical and academic research sectors are not the only sectors that will benefit — the public sector itself will also benefit in that Japanese citizens will have a better understanding of how their personal data is protected and used by the GOJ, thus facilitating more uptake and usage of public services, and accelerating Japan's digital government transformation.

We are also encouraged to learn that the Taskforce is considering creating a separate coordinating organization to holistically plan IT policies for the entire government. We look forward to collaborating with this organization upon its inception to further promote Japan's transformation to digital government.

BSA urges the review of local government ordinances on personal information protection to relax the principle of prohibiting online connection.

Chapter 4: Other Issues to Review
4-1 Relation with the Personal Information Protection System of Local Governments (Next Steps)

BSA is also encouraged that the Taskforce has established a committee of subject matter experts to review the personal information protection systems of local governments. We appreciate the efforts of local governments working tirelessly to respond to citizens' needs in responding and recovering from the COVID-19 pandemic and are eager to continue supporting their efforts to effectively use cutting-edge technology solutions. As the GOJ looks to increasing wide-range collaboration amongst multiple governments to implement remote services including education, medical services, and smart cities, having consistent privacy regulations across local governments will be the key driver for the success of this initiative.

The Interim Report rightfully acknowledges the need for the government to improve administrative services based on data accumulation, sharing, and analysis, identifying the need to accelerate smoother data utilization. The Interim Report also proposes examining current impediments and cites the existence of provisions in ordinances promulgated by many local governments which in principle limit computers processing personal information from being connected to on-line communication networks as examples of such impediments.

These restrictions at the local government level present difficulties in facilitating remote activities, as the management of names, accounts, IDs, etc. are needed to implement online services. The current provision in local ordinances requires decision from the deliberation council every time a need for online connection arises, which inhibits the prompt implementation of such services. With the spread of COVID-19, the GOJ is accelerating the GIGA school initiative[3]. With the implementation of online education, the need has emerged to use devices that had originally been intended for in-school use to be taken home by students,

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[3] GIGA (Global and Innovative Gateway for All): an initiative led by Ministry of Education, Culture, Sports, Science and Technology (MEXT) that aims to provide one device per student and accelerate ICT utilization through improved environment such as empowered network, promotion of digital contents, and etc. https://www.mext.go.jp/a_menu/other/index_00001.htm

and in securing network environment, the limitation on online connection has prevented full implementation of digital education. The resulting limits on using cloud services, has delayed the implementation of security and privacy enhancing solutions such as multi-factor authentication and filtering for individuals.

Local government ordinances limiting connectivity of public sector IT systems have limited opportunities to better utilize data for regional revitalization, especially in conducting demonstration experiments to realize smart cities, such as those related to the Internet of Things (**IoT**) and artificial intelligence (**AI**).

In addition, limitations on the location where data may be processed (such as for conducting analytics of personal data), connection of local government-managed systems to external networks, and unreasonable or unclear penalties set in relation to the handling of personal information are difficult for private sector business operators to implement, thus deterring investments in such innovative projects.

In order to enable on-line services related to medical care, education, infectious diseases, natural disasters, and smart cities in the future, BSA urges the GOJ to review and address the challenges of local government ordinances, especially policies prohibiting online connection as to not require judgement from the deliberation council for certain usage and services meeting security requirements.

Conclusion

BSA appreciates the opportunity to submit our comments on the Interim Report. We hope this will be useful to the Taskforce as it considers reform of the personal protection system for the public sector. We encourage the GOJ to involve interested stakeholders in the review process, including BSA and other industry representatives, and welcome the opportunity for further discussion. Please let us know if you have any questions or would like to discuss these comments in more detail.